REMARKS

The Office Action mailed April 28, 2005 has been received and the Examiner's comments carefully reviewed. Claims 16-40 are currently pending. Applicants respectfully submit that the pending claims are in condition for allowance.

Rejections Under 35 U.S.C. §102

The Examiner rejected claims 16-19, 22-27, 30-35 and 40 under 35 U.S.C. §102(e) as being anticipated by Kubler (U.S. Patent 6,525,648). Applicants respectfully traverse this rejection.

Kubler discloses a radio frequency identification (RFID) system that sends a unique RFID signal, which is identified by an RFID tag associated with one particular remote data storage device. Column 6, lines 52-55. The unique RFID signal identifies only the one particular remote data transfer device, which is provided with RF energy by the signal. Column 9, lines 30-46. In response to the signal, the RFID tag generates a "wake-up signal". The wake-up signal powers up the one particular remote data storage device for a data exchange operation. The system of Kubler is designed to conserve power of a limited power source of the remote data storage devices. No power is used for polling; rather the unique RFID signal wakes up the device only when operation is needed, thereby conserving power.

A. Claims 16-19, 22-23, 31-35, and 40

Claim 16 recites a method of deterring removal of a portable electronic device from a locality. The method includes rendering operation of a portable electronic device dependent upon a given stimulus, providing a source of the stimulus within the locality, and limiting transmission of the stimulus to a region of space within the locality.

Kubler does not disclose limiting transmission of a stimulus to a region of space within a locality. Kubler discloses a system that sends a unique RFID signal to a remote device. Nowhere does Kubler teach or suggest that the transmission of the unique RFID signal is to be limited to a region of space within a locality. The disclosure of Kubler relates to waking up a system only when operation is needed to conserve power. Kubler's

teachings do not relate to limiting the transmission of the unique RFID signal within a region to prevent theft of the remote device.

At least for these reasons, Applicants respectfully submit that independent claim 16, and depend claims 17-19, 22-23, 31-35, and 40 are patentable.

B. Claims 24-27 and 30

Claim 24 recites a method of deterring removal of a portable electronic device from a locality. The method includes rendering the portable electronic device incapable of properly operating after being powered down, without some exposure to a given stimulus during a subsequent power-up sequence, providing a source of the stimulus within the locality, and limiting transmission of the stimulus to a region of space within the locality.

At least for similar reasons as discussed above with regards to claim 16, Applicants respectfully submit that independent claim 24 and dependent claims 25-27 and 30 are patentable.

Rejections Under 35 U.S.C. §103

The Examiner rejected claims 22, 29 and 39 under 35 U.S.C. §103(a) as being unpatentable over Kubler (U.S. Patent 6,525,648) in view of Watkins (U.S. Patent 6,150,948). Claims 21, 28, and 38 were rejected under 35 U.S.C. §103(a) as being unpatentable over Kubler (U.S. Patent 6,525,648). Applicants respectfully traverse these rejections.

Claims 21-22 and 38-39 are dependent upon independent claim 16. Claims 28-29 are dependent upon independent claim 24. In view of the remarks regarding independent claims 16 and 24, further discussion regarding the independent patentability of dependent claims 21-22, 28-29, and 38-39 is believed to be unnecessary. Applicants submit that dependent claims 21-22, 28-29, and 38-39 are in condition for allowance.

Allowable Subject Matter

The Examiner objected to claims 36 and 37, but indicated that claims 36 and 37 would be allowable if rewritten in independent form incorporating all the limitations of

the base claim and any intervening claims. Applicants thank the Examiner for this notification.

SUMMARY

It is respectfully submitted that each of the presently pending claims (claims 16-40) is in condition for allowance and notification to that effect is requested. The Examiner is invited to contact Applicants' representative at the below-listed telephone number if it is believed that prosecution of this application may be assisted thereby.

Although certain arguments regarding patentability are set forth herein, there may be other arguments and reasons why the claimed invention is patentably distinct.

Applicants reserve the right to raise these arguments in the future.

23552

Date: Od. 27, 2005

Respectfully submitted,

MERCHANT & GOULD P.C.

P.O. Box 2903

Minneapolis, Minnesota 55402-0903

(612) 332-5300

Karen A. Fitzsimmons

Reg. No. 50,470

KAF:cjm